

ASSOCIATES AWARD (NO. LAG-A-00-00-00019-00)
FORESTS AND THE CLEAN DEVELOPMENT MECHANISM:
ANALYSIS AND POLICY DIALOGUE IN THE ANDEAN REGION

CLIMATE CHANGE PROGRAM AND BOLIVIA COUNTRY PROGRAM
THE NATURE CONSERVANCY

Final Report
December 2002

Background:

The Award supported a process of political dialogue and strategic analysis to help strengthen the capacity of the Andean countries to establish policies and programs on land-use, land-use change and forestry (LULUCF) project activities as part of an overall strategy for climate change mitigation. In addition, the Award assisted Bolivia's National Climate Change Program to expand its capacity to promote the development of a national project portfolio.

A number of countries in the region hold forest conservation and management as a priority both in their climate change abatement and sustainable development agendas, concerns persist regarding the environmental and social appropriateness of some LULUCF projects. Issues include the need for accurate information on national greenhouse gas emissions, a range of technical issues anticipated with the crediting of LULUCF projects, as well as the economic implications of this approach.

A series of capacity-building activities, including workshops, trainings, and analysis was conducted during the grant period. Overall, the project achieved all of its objectives and encountered neither major obstacles nor changes in activity. The work is a valuable contribution to the development of flexible climate mitigation policies at the international level.

OBJECTIVES AND ACCOMPLISHMENTS

1) Conduct greenhouse gas (GHG) inventory and projection for the Bolivian Government

Major accomplishments:

- The conclusion of the compilation document "National Inventory of Greenhouse Gas Emissions in Bolivia for the Decade 1990 – 2000, and its Analysis." This document will be printed next year.
- The draft bill of the Carbon Law, (Appendix 1) referring to CDM projects and parallel alternatives was revised and accepted. Later, this draft bill will be presented for consideration and discussion by different sectors of society.
- Two drafts corresponding to the work of the consultant, Miguel Angel Castro Fernandez, related to the strategy that permits the establishment of incorporation mechanisms of Climate Change in prefectures and municipalities in a decentralization

framework were revised, having presented observations that should be corrected by the consultant.

- Production of a database of inventories of greenhouse gas emissions in Bolivia corresponding to the years 1990 – 1994 – 1998 and 2000 in CD format. (Appendix 2)
- Participation of PNCC consultants in a training workshop for use of the Markal Macro Model in July 2002 in the Brookhaven National Laboratory.

2) Provide technical assistance to the Government of Bolivia entities involved in Climate Change negotiations regarding the treatment of land use change and forestry (LUCF) within the UNFCCC.

Major accomplishments:

- A climate change negotiations specialist was contracted for three months to provide technical assistance to the Vice Ministry of the Environment, Natural Resources, and Forestry Development, the [Bolivian] National Climate Change Program, and the Inter-institutional Climate Change Council.

3) Strengthen the capacity for analysis and negotiation of the Government of Bolivia Climate Change negotiators regarding the treatment of land use change and forestry (LUCF) within the UNFCCC.

Major accomplishments:

- Hiring of a consultant to provide training for negotiators.
- Training of 15 people in a negotiation workshop in La Paz which comprised bilateral negotiation techniques.
- With the Swiss Cooperation Agency, a book about the training process called, “Climate Change and Environmental Negotiation” was presented.

4) Develop additional miscellaneous Climate Change activities

Major accomplishments:

- Evaluation and supervision meetings for the NKCAP. Comparison of advances and delays in each component of this project and verification of corresponding achievements. Based on these meetings, a corresponding report was presented at the Project Board Meeting in December 2002.
- Participation in meetings with the Bolivian delegation that participated in the Johannesburg Summit with the purpose of establishing priorities for type 2 initiatives.
- Development of aide-memoires for superior authorities related to climate change.
- Two articles were produced for publication in La Prensa and Nueva Economia and an opinion paper/editorial about the Johannesburg summit and the Kyoto Protocol that appeared in La Prensa. (Appendix 3)
- Attendance at a variety of conferences and meetings

5) Contribute to the development of shared regional positions among the Andean countries regarding the treatment of LUCF within the CDM and, more broadly, among the countries of the Amazon basin.

Major accomplishments:

- Ministerial meeting: a workshop on the role of forest-based activities in national and regional climate change and sustainable development agendas was held in Quito, Ecuador, from 30-31 October, 2000. Participants included 12 climate negotiators from various government ministries in 10 countries in the region, representing many of the members of GRILA, an informal group of climate negotiators from Latin America. The countries represented are: Colombia, Bolivia, Ecuador, Peru, Paraguay, Dominican Republic, Honduras, El Salvador, Chile and Guatemala. Three non-government experts from the region also participated in the workshop, which was facilitated by Yolanda Kakabadse, former Environment Minister of Ecuador. A local NGO, Fundacion Futuro Latin America (FFLA), coordinate all meeting logistics, including travel arrangements and on-site preparations.

Results:

- Participants further defined shared positions, as well as areas of divergence. Organizers produced a detailed report on the workshop in Spanish (see Appendix 4). The meeting built on prior discussions and formed a firm base for negotiations at subsequent policy meetings, including the Sixth Conference of the Parties to the United Nations Framework Convention on Climate Change (COP6).

6) Strengthen the capacity for analysis and negotiation of the Andean countries regarding the inclusion of land use change and forestry (LUCF) projects in the Clean Development Mechanism.

Major accomplishments:

- Technical Workshop: a dozen NGO and government negotiators from five Andean and Central American countries participated in a workshop on the policy implications of the Special Report on Land Use and Land-use Change and Forestry by the Intergovernmental Panel on Climate Change (IPCC) during COP6 in The Hague, 13-24 November, 2000. Three authors of the IPCC Special Report on Land Use, Land-use Change and Forestry, lead a discussion on a variety of issues, including ensuring ecosystem integrity in LULUCF projects in the CDM. Negotiators from Colombia discussed both a proposal for addressing permanence of offsets from LULUCF projects and the state of the flexibility mechanisms and LULUCF in the negotiations.
- Negotiation training: three representatives of indigenous communities organizations from Mexico and Bolivia received on-going training in the negotiations process and technical issues during COP6.
- Analytical Papers: three papers by international experts on LULUCF were produced based on ideas generated by workshop participants in the workshop and negotiations training. These include: Carbon Accounting, Trading, and the Temporary Nature of Carbon Storage by Pedro Moura Costa, *Understanding and Managing Leakage in Forest-based Greenhouse Gas Mitigation Projects*, by Niles Schwartz, and Olander; and *The Scale of Land Use, Land-Use Change and Forestry in Developing Countries for Climate Mitigation* by Niles and Vroelich (See Appendix 5). The papers were

distributed internationally to over 100 policy makers and other interested parties, and published on The Nature Conservancy web-site.

- Technical Workshop: a one-day workshop, “Leakage, Permanence, And Scale: Addressing Technical Issues in Forest-Based Projects for Climate Change Mitigation” took place on May 16, 2002. Five delegates attended from Bolivia, Chile, Ecuador and Colombia, along with seven delegates from US Department of State, USAID, USDA, USFS, and USEPA. Authors of each of three analytical papers presented their key findings. Leading policy and scientific experts made formal comments on each of the papers, followed by general discussion (See Appendix VI for the meeting agenda and participant list). Funding for this additional activity resulted lower-than-expected costs of other activities under the award.
- On May 17, the five Andean delegates met with World Bank staff to discuss the bank’s BioCarbon and Community Development Carbon funds. This briefing was followed by discussions with the Climate and Forest Working Group, a coalition of NGOs working on these issues.

Results:

- The participants were able to discuss issues and share their perspectives with a number of international experts on LULUCF. The three analytical papers reflect a significant advance in thinking on various policy options and their implications. Further discussion and refinement of these ideas can contribute to the ongoing formulation of international climate change policies and guidelines.